

(b) *Review, investigation, recommendation.* The General Manager, Logistics Division, will investigate the matter. The Manager will record findings of fact and make a recommendation concerning the need for imposition of fine or penalty with the reasons for the recommendation. The Manager will then forward the file to the Director, Office of Transportation and International Services, and will advise the carrier of the recommendation.

(c) *Penalty action.* The Director, Office of Transportation and International Services, upon review of the record, may impose a fine or penalty against a carrier for any irregularity properly documented, whether or not penalty action has been recommended. A tentative decision of the Director, Office of Transportation and International Services, to take penalty action will set forth in detail the facts and reasons upon which the determination is based. The Director will send the tentative decision, including notice of the irregularities found and the amount of fine or penalty proposed, to the carrier. The carrier may present a written defense to the proposed action within 30 days after receipt of the tentative decision. The Director, after review of the record, will advise the carrier of the final decision.

(d) *Appeal.* If the final decision includes a penalty, the Director will advise the carrier that it may, within 30 days, appeal the action in writing to the Assistant Postmaster General, Mail Processing Department, U.S. Postal Service, and that its written appeal should include all facts and arguments upon which the carrier relies in support of the appeal. If an appeal is not received, the Director will close the record. When an appeal is taken, the Assistant Postmaster General, Mail Processing Department, will review the complete record and decide the appeal. He will advise the carrier of the decision in writing and will take action consistent with that decision. The Assistant Postmaster General, Mail Processing Department, may sustain, rescind, or compromise a fine or penalty. The decision of the Assistant Postmaster General, Mail Processing Department, on appeal shall be the final decision of the Postal Service.

The Postal Service may, in its discretion, deduct from pay otherwise due the carrier an amount necessary to satisfy the penalty action taken under this section.

(e) *Details of administration.* For further administrative details, see section 19-504, Postal Contracting Manual (Publication 41).

[45 FR 12418, Feb. 26, 1980, as amended at 51 FR 6914, Feb. 27, 1986]

§ 927.2 Noncontractual air service.

(a) *Report of infraction.* Each mail handling irregularity will be reported on a prescribed form by the cognizant postal official or designated representative. As soon as possible the reporting authority will ask the local representative of the air carrier to provide an explanation of the irregularity. A summary of the explanation, if any, will be entered on the form. A copy of the form will be provided to the local station manager of the carrier concerned at the close of each tour and not less frequently than each 24 hours.

(b) *Carrier conferences.* At least once per month, postal officials will schedule a meeting with the local representatives of the affected air carriers to discuss the reported irregularities. The carrier's representative will be advised of any irregularity for which the reporting authority will recommend penalty action. The carrier's representative will be offered the opportunity to comment on any irregularity, and any comments will be attached to the form. The form on which penalty action is recommended will then be forwarded to the General Manager, Logistics Division, of the appropriate postal region.

(c) *Review, investigation, recommendation.* The General Manager, Logistics Division, will review the matter. In those instances in which a monetary fine or penalty appears warranted but the carrier has disputed the facts alleged by the reporting authority, the General Manager, Logistics Division, will investigate the matter to resolve the differences. The Manager will record findings of fact and make a recommendation concerning the need for imposition of a fine or penalty, with the reasons for the recommendation. The Manager will then forward the file

to the Director, Office of Transportation and International Services, U.S. Postal Service, and will advise the carrier of the recommendation.

(d) *Penalty action.* The Director, Office of Transportation and International Services, upon review of the record, may impose a fine or penalty against an air carrier for any irregularity properly documented, whether or not penalty action has been recommended. A tentative decision of the Director, Office of Transportation and International Services, to take penalty action will set forth in detail the facts and reasons upon which the determination is based. The Director will send the tentative decision, including notice of the irregularities alleged and the amount of fine or penalty proposed, to the carrier. The carrier may present a written defense to the proposed action within 30 days after the receipt of the tentative decision. The Director, after review of the record, will advise the carrier of the final decision.

(e) *Appeal.* If the final decision includes a penalty, the Director will advise the carrier that it may, within 30 days, appeal the action in writing to the Assistant Postmaster General, Mail Processing Department, U.S. Postal Service, and that its written appeal should include all facts and arguments upon which the carrier relies in support of the appeal. If an appeal is not received, the Director will close the file. When an appeal is taken, the Assistant Postmaster General, Mail Processing Department, will review the complete record and decide the appeal. He will advise the carrier of the decision in writing and will take action consistent with that decision. The Assistant Postmaster General, Mail Processing Department, may sustain, rescind, or compromise a fine or penalty. The decision of the Assistant Postmaster General, Mail Processing Department, on appeal shall be the final decision of the Postal Service. The Postal Service may, in its discretion, deduct from pay otherwise due the air carrier an amount necessary to satisfy the penalty action taken under the section.

(f) *Details of administration.* For further administrative details, forms, and other implementing materials adapted

to the respective modes of transportation, see Transportation Handbook T-1, International Airmail, Exchange Office Procedures, Part 4, for foreign air transportation; and Transportation Handbook T-7, Handling, Dispatch, and Transportation of Military Mail, Part 10, for overseas air transportation.

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§ 927.3 Other remedies.

The procedures and other requirements of this part apply only where the Postal Service proposes to assess penalties, fines, deductions, or damages. This part does not limit other remedies available to the Postal Service, including such remedies as summary action to withhold tender of the mail to protect the public interest in the event of major irregularities such as theft, deliberate loss, damage, or abandonment of the mail.

PART 931—RULES OF PROCEDURE GOVERNING THE COMPROMISE OF OBLIGATIONS

§ 931.1 Compromise of obligations.

Any proposition of compromise shall be submitted in writing, and the amount offered in compromise shall be deposited with the Manager, Accounting Division or the appropriate postal data center. If the offer in compromise is rejected the amount deposited will be returned. The amount of a compromise offer must be tendered unconditionally for deposit pending the consideration of acceptance. Checks and drafts cannot be accepted as offers in compromise when they bear endorsements or instructions to the effect that the acceptance of such checks or drafts constitutes settlement in full of the claim, fine, penalty, or liability in connection with which the offer is made, except that such checks or drafts may be accepted when they are accompanied with a written waiver of the endorsements or instructions printed thereon. Offers in compromise should be transmitted or delivered to the office or officer of the Postal Service